

1 MR. EMMONS: Well, Your Honor, that was not clear
2 when it was produced, whether they're part of the same
3 document or not. The, the financial information is, is set
4 forth as TBF Exhibit 211. There, there is nothing in the, in
5 the two pages of text of the, of the memorandum of February
6 12, 1991, that refers to the financial information.

7 JUDGE CHACHKIN: 'Cause the Bureau's exhibit
8 indicates a four-page document, including that financial
9 information. I just want to get straight what the -- when
10 the -- what the witness saw.

11 MR. EMMONS: Your Honor, in light of the question
12 that's been raised, I'd like to put before the witness --

13 JUDGE CHACHKIN: I think that would be useful, since
14 we do have two documents and one has more pages than the
15 other.

16 MR. EMMONS: Let the record reflect that I'm putting
17 before the witness a copy of Mass Media Bureau Exhibit 509
18 which consists of four pages, the first two of which are the
19 typewritten portion of, of the typewritten low-power TV
20 business plan dated February 12, 1991, and pages 3 and 4 which
21 are a document titled "Low-Power TV Construction Cost."

22 BY MR. EMMONS:

23 Q And, Mr. Sandifer, let me ask you -- Well, take a
24 moment to look at it first, if you would. Let me ask you if
25 with respect to Mass Media Bureau Exhibit 509 do you recall

1 receiving as one package the two-page memorandum dated
2 February 12, 1991, together with the two pages that are
3 denominated "Low-Power TV Cost Estimate"?

4 A I do not.

5 Q Okay. Do you recall having seen contemporaneously,
6 that is, in around February 1991, the version of the
7 memorandum that contains the, the handwritten notations which
8 is shown in TBF Exhibit 210?

9 A I remember recalling at some time -- seeing it some
10 time in the first half of 1991.

11 Q But the handwritten notes -- And I'm -- My question
12 is going to be whether you recall seeing the version with the
13 handwritten notations on it or just the version -- plain
14 typewritten version, without the notations?

15 A I remember seeing it some time, the one with the
16 handwritten notations, the two pages. I do not recall other
17 than reviewing exhibits for these matters recently, within the
18 last half of 1993, that I ever saw this document.

19 Q By this last document, you mean Mass Media Bureau
20 509?

21 A That's correct.

22 JUDGE CHACHKIN: Did you ever see the construction
23 cost estimates contained in the Bureau's document? Prior to
24 the depositions?

25 MR. SANDIFER: I don't recall.

1 BY MR. EMMONS:

2 Q Now, Mr. Sandifer, going back to your deposition
3 again, page 45, if you still have that in front of you --

4 A Okay.

5 Q -- on line 6 -- And again, we're talking about the,
6 the February 12, 1991, document titled "Low-Power TV Business
7 Plan." On line 6, you say, "I do not recollect getting a copy
8 of this document at the time of its initial preparation."
9 Now, is your recollection now better than, than it was at the
10 time of the deposition? And, and you stated here I think that
11 you recall receiving a fax with this document.

12 MR. SCHAUBLE: Your Honor, I think I object at this
13 point. This talks about the time of its initial preparation
14 and I think now the witness has testified as to what his -- As
15 I understand the witness's testimony here in this, he can pin
16 it down to receiving it some time in the first six months of
17 1991.

18 JUDGE CHACHKIN: Well, if you look at the next pages
19 of the deposition, the witness's recollection is he has not
20 seen this document any time between February 1991 and March
21 1993. That's what it says on the next page of the deposition.
22 So I think it's appropriate to ask the witness about his
23 recollection, whether it's been somehow restored in some
24 fashion.

25 MR. SCHAUBLE: Thank you, Your Honor.

1 BY MR. EMMONS:

2 Q Mr. Sandifer, has, has anything happened to refresh
3 your recollection about whether or not you saw this document,
4 this low-power TV business plan, at any time between early
5 1991 and March of '93?

6 A Other than reviewing mass quantities of documents
7 that may have refreshed my recollection since the time of my
8 deposition, I would say no.

9 Q Well, did you review any documents after your
10 deposition that specifically triggered a recollection that in
11 fact you had seen this low-power TV business plan at about the
12 time it was prepared, or otherwise in 1991?

13 A Not that I recall.

14 Q Did -- The document review that you described a
15 moment ago, was that review made in conjunction with your
16 preparation sessions that you described you had with counsel
17 in this case?

18 A In meetings with counsel and reviewing the exhibits
19 on my own.

20 Q Now, you stated a while ago I think that you came to
21 learn that Mr. Harold Etsell had responsibility for -- Or
22 correct me if I'm stating this incorrectly, but I understood
23 your testimony to be that there came a point in time when you
24 learned that Mr. Etsell had responsibility for developing the
25 low-power business plan. Is that a fair characterization of

1 your testimony?

2 A No.

3 Q Is it your testimony that you, in a discussion
4 with -- that you heard between George Gardner and Mr. Etsell,
5 George Gardner authorized Mr. Etsell to proceed with the
6 development of a business plan?

7 A Yes.

8 Q Okay. And approximately when was that discussion?

9 A Approximately the first quarter of 1991.

10 Q And just to, just to pin this down, did there ever
11 come a time thereafter, at any time, up to but not including
12 the preparation for this case, when you learned or heard or
13 understood that Mr. Etsell had the responsibility for
14 developing a business plan for these low-power construction
15 permits?

16 A Could you restate that question?

17 Q Well, did there ever come a point when you learned
18 that Mr. Etsell had responsibility for developing a business
19 plan for the low-power construction permits?

20 A Well, there were a number of conversations which
21 George Gardner and Hal Etsell and I had, collectively and
22 individually, that had to do with this business plan. But
23 whether other than the first quarter of 1991 did I ever hear
24 George Gardner charge Hal Etsell and Hal Etsell only
25 specifically with developing the plan for the construction

1 | permits, no.

2 | JUDGE CHACHKIN: When you and Harold Etsell worked
3 | together, he was chief operating, you say? When you, when you
4 | first arrived?

5 | MR. SANDIFER: Yes.

6 | JUDGE CHACHKIN: Was -- Did he report to you or did
7 | he report directly to George Gardner?

8 | MR. SANDIFER: He reported directly to George
9 | Gardner, Your Honor.

10 | JUDGE CHACHKIN: Did there come a time when he
11 | reported to you?

12 | MR. SANDIFER: No.

13 | JUDGE CHACHKIN: Go ahead, Mr. Emmons.

14 | BY MR. EMMONS:

15 | Q Did there come a time, to your knowledge, that
16 | Mr. Etsell relinquished responsibility for developing the low-
17 | power construction permits?

18 | A I think there was a hiatus during the period of time
19 | which we had undertaken agreements with Quality Family
20 | Companies that Mr. Etsell may have, due to other things
21 | happening within the company, may have slowed down his efforts
22 | in this area.

23 | Q Did George Gardner ever assign you to take over from
24 | Harold Etsell responsibility for implementing a business plan
25 | for the new low-power stations?

1 A Other than in conjunction with my development of
2 management of TV-40, no.

3 JUDGE CHACHKIN: Well, what did you understand
4 Mr. Etsell's role was in connection with these CP's?

5 MR. SANDIFER: Your Honor, Mr. Etsell was -- has
6 held a number of positions with the companies, the group of
7 companies, but he tends to be involved in -- he tended to be
8 involved in the marketing operation and business development
9 end of things, and he, he had quite a number of activities,
10 some of which related to the development of the low-power
11 construction permits.

12 JUDGE CHACHKIN: Well, when you spoke to him in the
13 early part of '91, what did he tell you he was trying to
14 accomplish in connection with the LP TV permits? And what did
15 you discuss with him concerning the LP TV permits?

16 MR. SANDIFER: Mr. Etsell was undertaking meetings
17 with marketing concerns and cable operators, as well as
18 others, having to do with the development of a regional
19 network that would encompass the use of TV-40 and -- would
20 involve TV-40 in the, in the development of the LP TV
21 construction permits in the Central Pennsylvania area.

22 JUDGE CHACHKIN: And that's what you discussed. And
23 so he then came up with a business plan to incorporate -- to
24 implement this proposal. Is that -- How he was going to go
25 about doing it?

1 MR. SANDIFER: Yes.

2 JUDGE CHACHKIN: And what happened with Mr. Etsell's
3 proposal, as far as you know?

4 MR. SANDIFER: As, as far as I know, Your Honor, he,
5 he made a presentation to Cable Adnet, which is a regional
6 cable broadcasting marketing concern in our area, and I don't
7 know how many meetings that he had with them. And he
8 represented to me that he had meetings with various major
9 cable operators in the area to determine their desire to carry
10 regional network. And he, he also represented that he had
11 discussions with various programming sources to provide
12 programming to that regional network to be developed in our
13 area.

14 JUDGE CHACHKIN: Were any discussions -- Did you
15 have any discussion with Mr. Etsell concerning going ahead
16 with the construction of these, these stations that the
17 Commission had granted, these LP TV permits? You know,
18 ordering equipment, things of that nature?

19 MR. SANDIFER: I had no discussions with Mr. Etsell
20 in regard to ordering equipment.

21 JUDGE CHACHKIN: Any discussions concerning leasing
22 sites or doing anything toward implementing the construction
23 permits that the Commission had granted?

24 MR. SANDIFER: I think as, you know, our discussions
25 were limited to the interest of cable operators, the interest

1 of the marketing support to develop such a network and
2 programming options that could be put over such a network, and
3 that was, as I recall, the, the basis for our discussions.

4 JUDGE CHACHKIN: And that was true until the time
5 that Mr. Etsell left the company?

6 MR. SANDIFER: In a number of cases throughout 1991
7 and 1992, we had similar discussions about this implementation
8 of this concept.

9 JUDGE CHACHKIN: Go ahead, Mr. Emmons.

10 BY MR. EMMONS:

11 Q Did, did Mr. Etsell ever transfer to you any of his
12 files or, or documents relating to new low-power stations?

13 A No.

14 Q Do you recall at one point in early 1991 seeing a
15 large-size chart of the service area for low-power stations
16 that had been prepared by Mr. Etsell?

17 A Yes.

18 Q Did he ever transfer that chart to your custody?

19 A No.

20 Q To your knowledge, did, did Raystay ever identify
21 funding sources to finance construction and operation of the
22 new low-power stations?

23 A We had a number of internally generated options, but
24 we -- I don't know of any external funding sources that were
25 ever found for the purpose of developing these construction

1 permits.

2 Q To your knowledge, did Raystay ever succeed in
3 getting a firm commitment from any cable operator to carry
4 Raystay's new low-power stations?

5 A Representations were made to me by Hal Etsell and
6 David Gardner that they had discussions with cable operators
7 and that there was a favorable response. But to my knowledge,
8 we never got any written commitments of that support.

9 Q Now, let me switch subjects here for a moment. The
10 -- You're the chief financial officer at Raystay. I'm going
11 to ask you some questions about the budget process. First of
12 all, is it correct that Raystay's fiscal year runs from
13 November 1 through October 31?

14 A Yes, that is --

15 Q And is it correct that each year Raystay adopts a,
16 an annual budget for the coming fiscal year?

17 A Yes.

18 Q Has that, has that been true since, since you've
19 came to the company?

20 A Yes.

21 Q And were you the person who is primarily responsible
22 for preparing the, the budget since you hold the position of
23 chief financial officer?

24 A I guess I'd characterize my role as chief
25 coordinator, but after -- as the operating individuals put

1 their components together, myself and my staff are responsible
2 for final accumulation of that, the review of it, and the
3 final preparation of that for approval by George Gardner.

4 Q And, and when is that process -- when does that
5 process take place each year?

6 A It's varied slightly over the years, but primarily
7 from -- in August and in September and possibly October of
8 each year. I remember in 1990 that that process extended
9 beyond the end of October.

10 Q And does the budget cover both anticipated capital
11 expenditures and anticipated operating costs?

12 A Yes, those two components exist as we prepare the
13 budgets.

14 Q Now, you briefly described the, the process. You
15 referred to operating departments, I think, and you
16 characterized your role as coordinator. How does the process
17 start? Do you ask various operating departments to provide
18 you with a tentative budget for their department which you
19 then review? Or tell us in your own words how it works.

20 MR. SCHAUBLE: Objection on the basis of relevance,
21 Your Honor.

22 MR. EMMONS: Your Honor, the budget is quite
23 relevant here.

24 JUDGE CHACHKIN: I'll overrule the objection. You
25 can answer the question.

1 MR. SANDIFER: In general, I issue a memorandum.
2 Either I do or the accounting manager under my direction
3 issues a memorandum in which we outline key components that
4 we'd like the operating individuals, marketing individuals,
5 and engineering individuals to consider. In general, time
6 lines as to what we anticipate, and normally we send out
7 diskettes that are formatted to include our chart of accounts
8 and all this kind of thing, so we can ask them to complete
9 prior to returning their completed budget to the corporate
10 office for review, where it's reviewed by a number of people
11 within the corporate office.

12 BY MR. EMMONS:

13 Q And is there typically a meeting or meetings with
14 the individuals to discuss the proposals that they have
15 submitted?

16 A There are typically more than one meeting, sort of a
17 preliminary meeting and then a more final meeting with the
18 individuals preparing the budgets. And many of these
19 individuals are in the same offices or very close proximity.
20 Then there's a review process.

21 Q Now, does George Gardner participate in the, in the
22 review process?

23 A In the final review process, George Gardner
24 participates.

25 Q And, of course, you participate, I assume?

1 A Yes.

2 Q Does anyone else besides you and George Gardner
3 participate in the review process?

4 A It would depend on the year, but normally these
5 documents are given to Mr. Gardner with a period of time to
6 review, and then we may have a meeting with the chief
7 operating officer or some operating individual, George Gardner
8 and myself to discuss the summary of all the budgets.

9 Q And is George Gardner who makes the final decision
10 on, on the budget?

11 A George Gardner has the final sign-off on the budgets
12 that are presented to him.

13 Q Is there anyone in the company who is more closely
14 involved in the budget process than George Gardner, other than
15 yourself?

16 A I would not characterize George Gardner as being
17 closely involved in the budgetary process. I would
18 characterize myself and my staff as being closely involved in
19 the budgetary process. Mr. Gardner is -- has the review of
20 the completed project.

21 Q And is, and is the ultimate decision-maker?

22 A Yes.

23 Q Now, even though George Gardner makes the ultimate
24 decision on the budget, I take it it's fair to say that you,
25 you know -- from being closely involved with the process, you

1 know what's in the budget?

2 A Yes.

3 Q Now, did Raystay -- And while you have been with
4 Raystay, did Raystay ever adopt a budget that included funds
5 for construction of the new low-power television stations at
6 Lebanon, Lancaster, and Red Lion?

7 A No.

8 Q Were you ever involved -- I'm switching now subjects
9 again. Were you ever involved in negotiations with a man
10 named Mr. Fenstermacher regarding TV-40 and the new low-power
11 construction permits?

12 A Yes.

13 Q When did your involvement in that process start?

14 A Some time in the first two months of 1991.

15 Q And did you negotiate with Mr. Fenstermacher?

16 A I had some negotiations with Mr. Fenstermacher.

17 Q And did, did that lead to a letter of intent signed
18 with Mr. Fenstermacher?

19 A Yes, it did.

20 Q Would you turn to TBF Exhibit 216, blue Volume III-

21 C? A Yes, sir.

22 Q Is that the, the letter of intent you just testified
23 to?

24 A Yes.

25 Q And that is your signature on the right-hand

1 signature line?

2 A Yes.

3 Q Now, I notice that the signature of the other party
4 is dated March 26, 1991, and your signature is dated May 7,
5 1991. Can you explain why there was a time lag of quite a
6 period of time between the two signatures?

7 A Between the time that Mr. Fenstermacher sent this
8 letter to our company and the time that I signed it, there
9 were various conversations and negotiations with
10 Mr. Fenstermacher, and there was a period of time in this
11 period whereby we had FCC counsel review the nature of the
12 transaction.

13 Q Now, would you turn to TBF Exhibit 217, please? Do
14 you have that before you? This is a letter dated May 23,
15 1991, to Mr. R.L. Fenstermacher from you. Do you have that
16 before you?

17 A Yes, I do.

18 Q The -- And by this letter, were you transmitting
19 copies of executed agreements to Mr. Fenstermacher?

20 A Yes.

21 Q Now, would you look down to the -- about two-thirds
22 of the way down the letter? There is a sentence that says,
23 "The following documents are being prepared for your signature
24 prior to take over of the TV-40 operations next week." What,
25 what did you mean? What does it mean, "take over of the TV-40

1 operations"?

2 MR. SCHAUBLE: Objection, Your Honor. Relevance.
3 Your Honor has ruled that TV-40 -- the operations of TV-40 are
4 not within the scope of the issue here. The issue relates to
5 the LPTV construction permits.

6 JUDGE CHACHKIN: Except this is all one part of the
7 package, taking over the TV-40 as well as taking over the five
8 construction permits. So I'll overrule the objection.

9 MR. SANDIFER: Could you restate the question?

10 BY MR. EMMONS:

11 Q Sure, no problem. What, what, what did you have
12 reference to in the letter when you referred to "take over of
13 the TV-40 operations next week"?

14 A Well, that was the period of time that we were going
15 to allow Mr. Fenstermacher and his companies to start
16 programming the TV-40 operation under our direction.

17 Q And, and, and did they start doing that about the
18 end of May 1991?

19 A Yes.

20 Q Now, below that there is a numbered paragraph 2 in
21 which you say, "You and I will inventory the equipment on
22 May 30, 1991." Why was there going to be an inventory of
23 equipment?

24 MR. SCHAUBLE: Objection, Your Honor. Relevance.

25 JUDGE CHACHKIN: Sustained.

1 BY MR. EMMONS:

2 Q Mr. Sandifer, please turn to -- take a look at TBF
3 Exhibits 218 to 221. Now, I'm going to ask you a -- give you
4 a question that you can have in mind as you look at these.
5 The question is going to be do you generally recognize these
6 as being agreements relating to the low-power construction
7 permits for Lebanon and Lancaster?

8 A That's 218 through 222?

9 Q Through 221.

10 A Yes, I generally recognize these exhibits as
11 agreements that pertain to certain LPTV construction permits
12 which are noted on the appropriate Exhibit A to each of the
13 agreements.

14 Q All right. And, and with respect to each of the
15 permits, there are -- there were two documents, one titled
16 "Agreement," the other titled "Option to Buy Agreement"? And
17 if it will help you, I think there are blue divider pages
18 within each exhibit that separate those other -- Well, I take
19 it back. There may not be blue divider pages in all of them.
20 My copy is missing some of them.

21 A Do you want me to look at each agreement or to make
22 a general statement?

23 Q Well, only if you think you need to. The document
24 will speak for itself. It's your -- This comports with your
25 recollection, I take it, that with respect to these

1 construction permits there are -- there was an agreement and
2 an option to buy portion?

3 A Yes, that, that is my recollection.

4 Q All right. Now, although the only documents we have
5 here in these exhibits are related to the Lebanon and
6 Lancaster permits, is it also your recollection that there
7 were similar -- there was a similar agreement covering TV-40
8 which gave Mr. Fenstermacher the right to program TV-40, and
9 also an option to buy TV-40?

10 A I believe there was a similar agreement to these
11 prepared for the other construction permit in, in Red Lion.
12 As I recall, the agreement for TV-40, which was already
13 operational, was not exactly like these agreements.

14 Q But that's a fair point. However, did the, did the
15 agreements covering TV-40 include an option to buy TV-40?

16 A I recall that, that there was an option to buy.
17 Whether it was in a separate agreement or part of the initial
18 agreement, I, I remember that, that being documented.

19 Q Now, there came a time, did there not, in August
20 1991 when the entire deal with Mr. Fenstermacher collapsed?

21 A Yes, sir.

22 Q And would you take a look at TBF Exhibits 222 and
23 223, please? These are letters that are written by you to
24 Mr. Steve Fenstermacher, one on August 12, the other on
25 August 22, 1991.

1 A Yes, sir.

2 Q And is it correct that by that combination of
3 letters to Mr. Fenstermacher's company Raystay terminated the
4 -- all of the agreements between Raystay and Mr.
5 Fenstermacher?

6 A Well, that's what my attorney said would be
7 accomplished by these letters, so I --

8 Q Okay.

9 A -- I assume that's what was accomplished.

10 Q Well, as far as you recall, that --

11 A As far as I recall, that was what was accomplished
12 by these letters.

13 Q And that was the end of, of your dealings or
14 Raystay's dealings with Mr. Fenstermacher, I take it?

15 A Yes.

16 Q And this was because -- And the reason you took this
17 action, because Mr. Fenstermacher hadn't made any payments on
18 the, on the agreement?

19 A He had made some payments, but he was deficient in
20 some other payments. And so, consequently, we, we implemented
21 these -- procedures.

22 Q Now, at that point, at the point you terminated the
23 agreements with Mr. Fenstermacher, at that point Raystay had
24 to take back the, the operation of -- the active operation of
25 TV-40, correct?

1 A Yes.

2 Q And you testified earlier this morning that -- I
3 think you did -- that your -- that in August 1991 you were
4 given a responsibility for supervising the operations of TV-
5 40. Did that occur at the time or as a consequence of the
6 collapse of this deal with Mr. Fenstermacher?

7 A Yes, it did.

8 Q Now, as a result of the collapse of the deal with
9 Mr. Fenstermacher, Raystay now again had these five low-power
10 construction permits back on its hand again, correct?

11 MR. SCHAUBLE: Objection to the characterization,
12 Your Honor. Back on, back on the hand.

13 MR. EMMONS: Well, let me rephrase the question.

14 BY MR. EMMONS:

15 Q Am I correct that as a consequence of the collapse
16 of the deal with Mr. Fenstermacher Raystay again had to find
17 something to do with the five low-power construction permits?

18 A Yes.

19 Q And, and those permits were, were due to expire
20 about five months hence, were they not, in January of 1992?

21 A Yes.

22 Q And as of that time, August 1991, there still had
23 been no construction started of any of the five low-power
24 stations. Is that correct?

25 A Yes.

1 Q So, so it's correct to say that Mr. Fenstermacher
2 had not started any construction of those stations during the
3 period of time while the agreements were in effect?

4 A Not to my knowledge, sir.

5 Q Now, did you have discussions with George Gardner
6 when the Fenstermacher deal collapsed as to what Raystay would
7 do with TV-40 and with the five low-power construction
8 permits?

9 A Well, I certainly had a number of discussions with
10 Mr. George Gardner regarding what Raystay would do with, with
11 TV-40. And I had some discussions with Mr. Gardner during
12 different periods about what we'd do with the construction
13 permits.

14 Q Well, did you have discussions with Mr. Gardner
15 about the construction permits at the time that the
16 Fenstermacher deal collapsed in August of 1991?

17 A I don't recall.

18 Q Would you turn to TBF Exhibit 224, please? This is
19 a -- one exhibit but it consists of five separate letters, all
20 dated June 26, 1991, to the Raystay Company and from George
21 Sebastian of Trinity Broadcasting Network. Do you have that
22 before you?

23 A Yes.

24 Q When did you first see these letters? Or strike
25 that. Did there come a time when, when these letters came to

1 your attention?

2 A Yes.

3 Q When was that?

4 A As I recall, some time in the summer of 1991.

5 Q And how did they come to your attention?

6 A Either through intercompany correspondence or
7 through David Gardner I became aware of the -- those letters.

8 Q In other words, David Gardner brought them to you
9 attention, either by -- through your company correspondence or
10 by actually showing them to you?

11 A I don't recall whether I saw them first and gave
12 them to him or he saw them first and gave them to me, but, but
13 certainly during this period of time I was aware of their
14 existence.

15 Q Now, when you became aware of their existence, was
16 that while the agreements with Mr. Fenstermacher were still
17 in, in effect?

18 A Yes.

19 Q So what was done with these five letters then when,
20 when they came to your attention, if anything?

21 A I don't remember taking any action on these letters.

22 Q Did -- Were the letters kept in, in Raystay's files?

23 A I don't recall.

24 Q Now, would you turn next to TBF Exhibit 225? This
25 is a, a letter of August 12, 1991, from Deanna Sebastian of

1 Trinity Broadcasting Network to the Raystay Company. And my
2 question to you is did this letter come to your attention at
3 some point?

4 A Yes.

5 Q How did it come to your attention?

6 A I remember discussing it with David Gardner some
7 time after it was received by the company.

8 Q Now, at the time that you -- Well, strike that. Let
9 me ask you, did -- is it your recollection that David Gardner
10 brought the letter to your attention?

11 A It's in my recollection that we discussed it.
12 Whether I received it and gave it to him or he received it and
13 gave it to me, it was received by the company and he and I
14 discussed it in August of 1991.

15 Q Now, at the time you had the discussion, what was
16 the status of the, of the agreements with Mr. Fenstermacher?

17 A I think from the dates of the other notices that --
18 Assuming that we received this letter after August 12th, that
19 that would have been a time that we were aware in Raystay that
20 Mr. Fenstermacher and his companies might not perform on their
21 agreements.

22 Q And what was the substance of your, of your
23 discussion with David Gardner about, about this letter when
24 you discussed it with him?

25 A As I recall, he was going -- I, I discussed with him

1 pursuing this as an option, that he was going to contact
2 Trinity.

3 Q Did you discuss with George Gardner this inquiry
4 that you had received from Trinity before you authorized David
5 Gardner to conduct negotiations with Trinity?

6 A I know I discussed it with George Gardner, but I
7 don't know whether I discussed it with George Gardner prior to
8 authorizing David Gardner to begin discussions with Trinity.

9 Q What, what was the -- When did you have that
10 discussion with George Gardner?

11 A Some time during the fall of 1991.

12 Q But you don't recall any discussion with George
13 Gardner around August of 1991 about, about this inquiry by
14 Trinity?

15 A I had discussions subsequent to the receipt of the
16 letter. I can't tell you if they were in August or if they
17 were within the few months here, but within a period of time.
18 They may have been in August.

19 Q And did George Gardner tell you that -- in that
20 discussion, in that discussion that, that David could go ahead
21 and negotiate with Trinity?

22 A I think he -- I don't know whether negotiate's the
23 proper term. He allowed us to have contact with Trinity and
24 explore these options.

25 Q And as a result of that, David Gardner then did

1 undertake communications with Trinity?

2 A Yes. I don't know if as a result of that, but
3 through this process he enter communications with Trinity.

4 Q And George Gardner was aware then that, that David
5 Gardner was having communications with Trinity?

6 A At some point in time through this process, I, I, I
7 don't know when Mr. George Gardner was aware of it but he
8 became aware of it as the communications with David Gardner
9 and Trinity proceeded.

10 Q Now, would you turn to TBF Exhibit 229, please? And
11 this is a fax cover sheet dated October 17, 1991, addressed to
12 David Gardner and Lee Sandifer from Trinity Broadcasting
13 Network. And my question is did, did you see this document at
14 or about the time of its date?

15 A I received this information. Whether I received --
16 Whether I remember seeing this fax document, I don't recall.

17 Q Now, the document is addressed, in part, to you and
18 the message is addressed by a first name, "Dear David or Lee."
19 Do you see that?

20 A Yes.

21 Q And the author is indicated as being George
22 Sebastian. Do you see that?

23 A Yes.

24 Q Prior to October 17, 1991, had you personally been
25 in any communication with George Sebastian?